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**UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF NEW YORK**

HSBC BANK USA, NATIONAL ASSOCIATION,

Plaintiff,

-against-

HUATAI USA LLC, a Delaware limited liability company,

Defendant.

Civil Action No. 1:20-cv-9207

**COMPLAINT**

Plaintiff, HSBC Bank USA, National Association (“HSBC Bank” or “Plaintiff”), by its attorneys Carlton Fields, P.A., as and for its Complaint against Defendant, Huatai USA LLC (“Borrower”) alleges as follows:

**INTRODUCTION**

1. This is an action for damages under a promissory note.

**THE PARTIES**

2. At all times hereinafter mentioned, Plaintiff, HSBC Bank USA, National Association, is a national banking association authorized to do and is doing business in the State of New York.

3. At all times hereinafter mentioned, Defendant, Huatai USA LLC was and still is a Delaware limited liability company. Borrower’s sole member is Recycling Paper Partners of Pennsylvania, LLC (“Recycling Paper”).

4. At all times hereinafter mentioned, Recycling Paper is a Pennsylvania limited liability company with the following members: Stuart and Debra Polsky, as tenants by the entirety; Eva Chun; and Scott W. Polsky.

5. At all times hereinafter mentioned, Stuart Polsky is an individual and a resident of Villanova, Pennsylvania.

6. At all times hereinafter mentioned, Debra Polsky is an individual and a resident of Villanova, Pennsylvania.

7. At all times hereinafter mentioned, Eva Chun is an individual and a resident of Blue Bell, Pennsylvania.

8. At all times hereinafter mentioned, Scott W. Polsky is an individual and a resident of Villanova, Pennsylvania.

#### **JURISDICTION AND VENUE**

9. Jurisdiction in this Court is proper pursuant to a consent to jurisdiction provision in the loan documents, as set forth more fully below, that are the subject of this action.

10. This Court also has diversity jurisdiction pursuant to 28 U.S.C. §1332 (a)(1) because HSBC Bank is a national banking association with its main office in New York pursuant to its Articles of Association, the members of Borrower's sole member are citizens of Pennsylvania, and the amount in controversy exceeds \$75,000.

11. Venue is proper in the Southern District of New York pursuant to a consent to venue provision in the loan documents, as set forth more fully below, that are the subject of this action, and 28 U.S.C. § 1391(b)(2).

**CONSENT TO JURISDICTION AND VENUE**

12. Venue properly lies in the Southern District of New York in accordance with the loan documents. Defendant executed that certain PPP Note and Loan Agreement (collectively, the “PPP Loan Documents”), in which Defendant expressly consented and submitted to the jurisdiction of any Federal or state court sitting in New York, “over any suit, action or proceeding arising out of or relating to” the PPP Loan Documents and irrevocably waived “to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court.” HSBC Bank’s claims against Defendant arise out of the PPP Loan Documents as to which Defendant consented to jurisdiction in New York State.

**FACTUAL BACKGROUND**

13. On or about April 21, 2020, HSBC Bank provided a loan in the amount of \$131,155.00 to Borrower (“PPP Loan”).

14. As evidence of the PPP Loan, on or about April 21, 2020, Borrower executed and delivered to HSBC Bank a U.S. Small Business Administration Note reflecting a principal amount of \$131,155.00 (“PPP Note”). A true and correct copy of the PPP Note is attached hereto as **Exhibit 1**.

15. As further evidence of the PPP Loan, Borrower also executed a Loan Agreement on or about April 21, 2020, a true and copy of which is attached hereto as **Exhibit 2**.

16. Borrower is in default of the PPP Note because Borrower defaulted on another loan to HSBC Bank. Specifically, Borrower defaulted under an August 22, 2018 Revolving Line of Credit (as amended from time to time) to Borrower, among others, from HSBC Bank (“Line of Credit”). HSBC Bank issued a Notice of Acceleration and Demand for Payment (“Line of Credit Demand”) for the Line of Credit. To date, Borrower has not satisfied the Demand. A true and correct copy of the

Line of Credit Demand is attached hereto as **Exhibit 3**.

17. HSBC owns and holds the PPP Note.

**FIRST CAUSE OF ACTION  
BREACH OF THE TERM NOTE**

18. HSBC Bank repeats and re-alleges paragraphs “1” through “17” inclusive of this complaint, as though fully set forth herein.

19. This is an action for damages in excess of \$75,000.00 exclusive of interest, costs and attorneys’ fees.

20. As a result of the default under the PPP Loan Documents, Borrower owes the following amounts as of October 26, 2020, plus per diem interest of \$3.64 thereafter together with costs and attorneys’ fees:

Principal	\$131,155
Interest	\$677.64

21. HSBC Bank is obligated to pay its undersigned attorneys a reasonable fee for their services and Borrower is obligated to pay same under the terms of the PPP Note.

**RELIEF SOUGHT**

WHEREFORE, HSBC Bank demands judgment against Borrower for damages as set forth above, plus interest, costs and attorneys’ fees, together with such other relief as is just and proper.

Dated: New York, New York  
November 3, 2020

**CARLTON FIELDS, P.A.**

By: /s/ Michael D. Margulies

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